

The Minnesota Consolidated Chemical Dependency Treatment Fund (CCDTF) Waiver

**COST PROJECTIONS WITH AND WITHOUT THE 1915(b) WAIVER
FOR SFY 2001 - SFY 2004**

PRIMARY INPATIENT COST METHODOLOGY EXPLANATION

The calculation of cost with the waiver was based on actual and estimated placements with the waiver for the respective years; the actual and estimated number of Medicaid clients who received care from Medicaid eligible providers, multiplied by the average cost per day, multiplied by the average number of days in placement equals cost.

The calculation of cost without the waiver assumed that all of the Medicaid clients who received treatment through the CCDTF would receive treatment in Medicaid eligible facilities (the majority of which are hospital-based and therefore higher cost than free-standing, inpatient facilities). The following calculation was used to determine total cost without the waiver: the actual number of Medicaid clients served, multiplied by the average cost per day, multiplied by the average number of days in placement equals cost.

The cost with the waiver was then subtracted from the cost without the waiver to show the difference. The difference, or savings, is entirely attributable to the difference in Medicaid coverage. Without the waiver, more Medicaid eligible individuals would choose inpatient hospital settings and would not lose Medicaid coverage for CD services due to the IMD exclusion.

PRIMARY INPATIENT	<u>SFY 2001</u>	<u>SFY 2002</u>	<u>SFY 2003</u>	<u>SFY 2004</u>
<u>With the Waiver</u>				
Placements	525	560	607	634
Average Cost	\$ 2	\$ 2	\$ 2	\$ 2
Cost	\$ 1,267	\$ 1,374	\$ 1,534	\$ 1,626
<u>Without the Waiver</u>				
Placements	1,832	1,955	2,119	2,213
Average Cost	\$ 2	\$ 2	\$ 2	\$ 2
Projected Cost	\$ 4,422	\$ 4,795	\$ 5,353	\$ 5,676
Difference	\$ (3,154,	\$ (3,420,	\$ (3,819,	\$ (4,050,

OUTPATIENT COST METHODOLOGY EXPLANATION

The methodology used for primary outpatient is the same as that was used for primary inpatient. However there is no difference in cost because the IMD exclusion has no effect on outpatient care.

PRIMARY OUTPATIENT	<u>SFY 2001</u>	<u>SFY 2002</u>	<u>SFY 2003</u>	<u>SFY 2004</u>
<u>With the Waiver</u>				
Placements	2,870	3,062	3,319	3,468
Average cost per placement	\$	\$	\$	\$
Cost	\$ 2,441	\$ 2,646	\$ 2,954	\$ 3,133
<u>Without the Waiver</u>				
Placements	2,870	3,062	3,319	3,468
Average cost per placement	\$	\$	\$	\$
Cost	\$ 2,441	\$ 2,646	\$ 2,954	\$ 3,133
Difference	\$	\$	\$	\$

EXTENDED CARE COST METHODOLOGY EXPLANATION

For the calculation without the waiver, the number of Medicaid clients placed in non-Medicaid eligible facilities was multiplied by the cost of hospital-based primary inpatient treatment. The cost of each of these calculations was added to show the projected total cost. It is assumed that the same number of individuals would receive treatment in Medicaid facilities as before, and that the individuals placed in non-Medicaid facilities would be in Medicaid-eligible primary inpatient treatment. This is a conservative projection, because if individuals in need of extended care were placed in inpatient treatment, their lengths of stay would be longer, increasing the average cost. The cost at \$2,414 is low because it reflects current length of stays.

EXTENDED CARE	<u>SFY 2001</u>	<u>SFY 2002</u>	<u>SFY 2003</u>	<u>SFY 2004</u>
<u>With the Waiver</u>				
MA-paid clients	47	50	54	57
Average Cost	\$ 4,720	\$ 4,797	\$ 4,941	\$ 5,015
Cost	\$ 221,829	\$ 240,527	\$ 268,528	\$ 284,766
<u>Without the Waiver</u>				
MA-paid clients	47	50	54	57
Average Cost	\$ 4,720	\$ 4,797	\$ 4,941	\$ 5,015
Projected Cost	\$ 221,829	\$ 240,527	\$ 268,528	\$ 284,766
MA clients in non-MA facilities	966	1,031	1,117	1,167
Inpatient Rate	\$ 2,414	\$ 2,453	\$ 2,527	\$ 2,565
Projected Cost	\$ 2,331,821	\$ 2,528,371	\$ 2,822,716	\$ 2,993,411
Projected Total Cost	\$ 2,553,649	\$ 2,768,897	\$ 3,091,244	\$ 3,278,178
Difference	\$ (2,331,821)	\$ (2,528,371)	\$ (2,822,716)	\$ (2,993,411)

TRANSITIONAL REHABILITATION COST METHODOLOGY EXPLANATION

The without waiver calculation was made by multiplying the number of clients for whom we received FFP by the average cost per placement to get the total cost. We then also multiplied the number of Medicaid clients that went to non-MA facilities by the outpatient rate. The assumption is that these clients would receive Medicaid eligible treatment services on an outpatient basis and their supportive housing would be provided by an alternative method.

TRANSITIONAL REHABILITATION	<u>SFY 2001</u>	<u>SFY 2002</u>	<u>SFY 2003</u>	<u>SFY 2004</u>
<u>With the Waiver</u>				
MA-Paid Clients	34	36	39	41
Rate	\$ <u>2,563</u>	\$ <u>2,604</u>	\$ <u>2,682</u>	\$ <u>2,723</u>
Cost	\$ 87,125	\$ 94,469	\$ 105,467	\$ 111,845
<u>Without the Waiver</u>				
MA-Paid Clients	34	36	39	41
Rate	\$ <u>2,563</u>	\$ <u>2,604</u>	\$ <u>2,682</u>	\$ <u>2,723</u>
Projected Cost	\$ 87,125	\$ 94,469	\$ 105,467	\$ 111,845
MA clients in non- MA facilities	1,270	1,355	1,469	1,534
Outpatient Rate	\$ <u>851</u>	\$ <u>864</u>	\$ <u>890</u>	\$ <u>904</u>
Projected Cost	\$ 1,080,770	\$ 1,171,869	\$ 1,308,294	\$ 1,387,409
Projected Total Cost	\$ 1,167,895	\$ 1,266,338	\$ 1,413,761	\$ 1,499,254
Difference	\$(1,080,770)	\$ (1,171,869)	\$ (1,308,294)	\$ (1,387,409)

SUMMARY

TOTAL FFP SAVINGS OR LOSS	<u>SFY 2001</u>	<u>SFY 2002</u>	<u>SFY 2003</u>	<u>SFY 2004</u>
<u>With the Waiver</u>				
Inpatient	\$ 1,267	\$ 1,374	\$ 1,533	\$ 1,620
Outpatient	\$ 2,444	\$ 2,640	\$ 2,954	\$ 3,133
Extended	\$ 2	\$ 2	\$ 2	\$ 2
Transitional	\$ 1	\$ 1	\$ 1	\$ 1
TOTAL	\$ 4,013	\$ 4,356	\$ 4,860	\$ 5,156
FFP%	<u>51.20%</u>	<u>50.28%</u>	<u>50.00%</u>	<u>50.00%</u>
FFP Cost	\$ 2,050	\$ 2,190	\$ 2,433	\$ 2,578
<u>Without the Waiver</u>				
Inpatient	\$ 4,423	\$ 4,793	\$ 5,353	\$ 5,670
Outpatient	\$ 2,444	\$ 2,640	\$ 2,954	\$ 3,133
Extended	\$ 2,553	\$ 2,763	\$ 3,093	\$ 3,273
Transitional	\$ 1,167	\$ 1,260	\$ 1,413	\$ 1,493
TOTAL	\$ 10,587	\$ 11,476	\$ 12,813	\$ 13,588
FFP%	<u>51.20%</u>	<u>50.28%</u>	<u>50.00%</u>	<u>50.00%</u>
FFP Cost	\$ 5,413	\$ 5,770	\$ 6,400	\$ 6,793
Projected FFP Savings (w/out waiver cost minus w/waiver cost)	\$ 3,362	\$ 3,580	\$ 3,975	\$ 4,215